



Saskatchewan Snowmobile Association Inc.

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July 16, 2012

Helen Petrovitch
Ministry of Parks, Culture and Sport
4th Floor, 1919 Saskatchewan Dr.
Regina, Sk S4P 4H2

Dear Helen:

I have the honor to submit the Annual Report and Financial Statements of the Saskatchewan Snowmobile Fund for the fiscal year ended March 31, 2012, as per the agreement between the Government of Saskatchewan as represented by the Minister of Parks, Culture and Sport and the Saskatchewan Snowmobile Association (see section 4.1c. of the agreement.)

Please table the attached Saskatchewan Snowmobile Trail Fund Annual Report and Financial Statements as required by section 20.7(8) of *The Snowmobile Act* in the Legislative Assembly. The 2011-2012 Financial Statements are inserted following page 4 of this report.

I have attached 49 copies of the Annual Report and Financial Statement for you to table in the Legislative Assembly on July 24, 2012.

Please have Minister Doherty sign off on the attached prior to sending to The Office of The Clerk, Room 239 in the Legislative Building.

Respectfully submitted,

Chris Brewer
President / CEO
Saskatchewan Snowmobile Association Inc.

CC Elizabeth Verrall
Parks, Culture and Sport
9th Floor, 1919 Saskatchewan Drive
Regina, Sk S4P 4H2

The Honourable Kevin Doherty
Minister of Parks, Culture and Sport
Rm 30, Legislative Building
2405 Legislative Dr.
Regina, Sk S4S 0B3

Victor Schwab, Principal
Provincial Auditor Saskatchewan
1500 Chateau Tower
1920 Broad Street
Regina, Sk S4P 3V7

**ANNUAL REPORT AND FINANCIAL STATEMENTS
2011-2012**

**SASKATCHEWAN SNOWMOBILE FUND
FOR THE FISCAL YEAR ENDING MARCH 31, 2012**



SASKATCHEWAN SNOWMOBILE ASSOCIATION INC.

INTRODUCTION:

The Saskatchewan Snowmobile Fund (Fund), also called the Trail Fund, was established under *The Snowmobile Act* (Act). The fund provides money for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails.

The legislative authority for the Fund and the specific provisions of the Fund are found in The Act and the Regulations thereunder.

Pursuant to The Act, the Minister appointed the Saskatchewan Snowmobile Association Inc. (SSA) to administer the Fund.

FUND PURPOSE

The Snowmobile Fund is administered by the Saskatchewan Snowmobile Association Inc. (Trail Fund Manager).

The Fund provides on-going funds required to operate and maintain safe snowmobile trails in Saskatchewan.

The Fund distributes monies to eligible clubs to maintain and groom snowmobile trails based on a formula agreed upon by all SSA member clubs.

During the 2011-2012 fiscal year, a total of 47 clubs received \$1,200,000 to maintain 9,603 km of trail.

COMPARATIVE FIGURES:

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
# of Clubs Funded	47	47	47	46	43	45
Amount Paid to Clubs	1,200,000	1,000,000	605,000	587,000	590,000	348,440
# of KM maintained	9,603	9,340	9,169	8,165	8,410.5	6,976
S&I Snowmobile Registrations	16,048	20,381	17,428	19,788	17,980	17,606

MANAGEMENT OF KEY RISKS:

***Public Awareness**

The 2011/12 snowmobile season saw provincial snowmobile sales drop a small amount to 3825 units; this is down from 3988 units the past season.

Coming off a great snow season in 2010/11 the public continued to purchase snowmobiles leading into the 2011/12 season.

***Safety Promotion**

This past season 2011/12 we continued with our province wide snowmobile TV safety awareness campaign. We partnered with SLGA, SGI & SPRA to increase the campaign. The development of a second ad to run in the campaign was introduced. Two snowmobile fatalities took place in the province and we had three Saskatchewan individuals perish outside our borders. Safety promotion continues to top our list of initiatives; public promotion and education awareness are the key factors to reducing accidents, injuries and fatalities.

***Enforcement/Compliance**

This past season 2011/12 we saw the RCMP begin a campaign on snowmobile enforcement, we are hoping to hear some numbers from them. We know that alcohol and speed are the two leading factors in snowmobile accidents, incidents, injuries and fatalities. We need to see an enforcement/compliance campaign on an annual basis province wide.

***Fleet Management**

This continues to be an ongoing management tool for the SSA and Member Clubs. This position continues to work with the clubs to find and incorporate efficiencies, safety practices, risk management and undertake an overall assessment of the condition of the fleet of snow groomers.

***Trail Inspection Program**

The Trail Inspection Program has become a valuable tool in insuring snowmobile trail standards are met and adhered to. Insuring that a province wide standard is in place offers the public the opportunity to use the snowmobile trail system and be confident that the signage, quality and practices are equivalent province wide.

***Reporting**

Member/Funded Clubs continue to provide detailed reports on trail conditions, grooming, Km groomed, dates and times groomed. This information assists with efficiencies, funding requirements and allows checks with trail inspection reports.

***Insurance**

The insurance requirements continue to be met as per the agreement. The increase was seen this season based on land owners that provide permission to host snowmobile trail on their property.

***Fraud**

As the Trail Fund Manager the SSA follows the guidelines of Saskatchewan Finance, Financial Administration Manual. The manual outlines the financial requirements which include fraud, and reporting of fraud.

Management's Responsibility for Financial Statements

The Saskatchewan Snowmobile Association (Association) is responsible for establishing and maintaining a system of internal control, complying with authorities and maintaining the Saskatchewan Snowmobile Fund's (Fund) financial records and financial statements. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

The Association's Board oversees management in the performance of its financial reporting duties.

The Provincial Auditor of Saskatchewan annually examines the Association's system of internal control, compliance with authorities and the Fund's financial statements. A copy of the Provincial Auditor's opinion on the financial statements is enclosed.



Chris Brewer
President / CEO
Saskatchewan Snowmobile Association Inc.
Regina Beach, Saskatchewan
June 23, 2012

SASKATCHEWAN SNOWMOBILE FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2012

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Snowmobile Fund, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and accumulated surplus and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

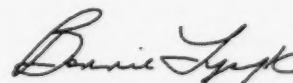
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Snowmobile Fund as at March 31, 2012, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
June 23, 2012



Bonnie Lysyk, MBA, CA
Provincial Auditor

**Saskatchewan Snowmobile Fund
STATEMENT OF FINANCIAL POSITION**

STATEMENT 1

As at March 31

	2012	2011
FINANCIAL ASSETS		
Cash	\$ 4,341	\$ 146,905
Accounts receivable (Note 8)	48,090	47,172
Investments (Note 5)	1,048,388	1,199,710
GST receivable	2,465	3,264
	<u>\$ 1,103,284</u>	<u>\$ 1,397,051</u>
 LIABILITIES		
Due to Saskatchewan Snowmobile Association	\$ 135,515	\$ 122,859
Accounts payable	<u>0</u>	<u>4,868</u>
	<u>135,515</u>	<u>127,727</u>
 Net Financial Assets	<u>\$ 967,769</u>	<u>\$ 1,269,324</u>
 NON FINANCIAL ASSETS		
Tangible capital assets (Note 3)	<u>0</u>	<u>\$ 272</u>
 Accumulated Surplus (Statement 2)	<u>\$ 967,769</u>	<u>\$ 1,269,596</u>

(See accompanying notes to the financial statements)

Saskatchewan Snowmobile Fund
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

STATEMENT 2

Year Ended March 31

	2012		2011
	Budget	Actual	Actual
	(Note 6)		
REVENUES			
Transfer from General Revenue Fund – Ministry of Parks, Culture and Sport (Note 1)	\$ 1,190,000	\$ 1,123,360	\$ 1,426,670
Interest & other revenue	3,000	4,187	2,921
Total Revenues	1,193,000	1,127,547	1,429,591
EXPENSES			
Trail funding to clubs	942,850	1,200,571	1,000,000
Liability insurance	26,000	28,219	22,135
Administration (Note 7)	126,800	127,196	123,400
Travel and meetings	15,000	11,411	10,544
Marketing and promotion	28,675	20,015	20,957
Safety expenses	53,675	41,962	43,718
Total Expenses	1,193,000	1,429,374	1,220,754
(Deficit) Surplus for the Year	<u>0</u>	<u>(301,827)</u>	<u>208,837</u>
Accumulated Surplus, beginning of year		1,269,596	1,060,759
Accumulated Surplus, end of year – to Statement 1		<u>\$ 967,769</u>	<u>\$ 1,269,596</u>

(See accompanying notes to the financial statements)

**Saskatchewan Snowmobile Fund
STATEMENT OF CASH FLOWS**

STATEMENT 3

Year Ended March 31

	<u>2012</u>	<u>2011</u>
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund – Ministry of Parks, Culture and Sport	\$ 1,122,441	\$ 1,410,990
Receipts of interest and other revenue	4,187	816
Payments to suppliers	(209,332)	(198,859)
Payments for travel and meetings	(11,411)	(10,544)
GST refund received	800	2,391
Payments to clubs for trail funding	<u>(1,200,571)</u>	<u>(1,000,000)</u>
	(293,886)	204,794
Cash flows from (used in) investing activities:		
Purchase of investments	(1,273,678)	(1,225,398)
Sale of investments	<u>1,425,000</u>	<u>1,165,000</u>
	151,322	(60,398)
Net increase (decrease) in cash	(142,564)	144,396
Cash, beginning of year	<u>146,905</u>	<u>2,509</u>
Cash, end of year	<u>\$ 4,341</u>	<u>\$ 146,905</u>

(See accompanying notes to the financial statements)

**SASKATCHEWAN SNOWMOBILE FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2012**

1. Legislative authority

The Saskatchewan Snowmobile Fund was established pursuant to section 20.7 of *The Snowmobile Act*. The Fund's purpose is to provide funding for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails. The Minister responsible for *The Snowmobile Act* appointed the Saskatchewan Snowmobile Association Inc. to administer the Fund as trail manager. The trail manager is responsible for establishing the trail funding allocation criteria for the distribution of the money in the Fund to the snowmobile clubs who maintain the trails.

Pursuant to an agreement with the Ministry of Parks, Culture and Sport (formerly the Ministry of Tourism, Parks, Culture and Sport), the Ministry is committed to provide yearly grants to the Fund. The grant is determined on the number of snowmobile registrations in the province multiplied by the permit fee described in *The Snowmobile Regulations 1998*.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards to prepare its financial statements as the fund is classified as an other government organization. A Statement of Changes in Net Financial Assets has not been prepared as the information is readily apparent from the financial statements. The following accounting principles are considered significant:

a) Tangible capital assets

Individual capital assets costing more than \$500 are capitalized. Amortization of these capital assets commences in the year of acquisition and is calculated on the straight-line basis over their useful lives as follows:

Furniture & equipment	5-10 years
Computer equipment	3 years

b) Investments

Investments are recorded at cost.

c) Trail funding to clubs

Trail funding to clubs is recorded as an expense when funding requests have been approved and the clubs have met the eligibility criteria.

d) Revenue

Trail permit revenue is recognized when the permit is issued.

Transfer from the General Revenue Fund – Ministry of Parks, Culture and Sport is recognized based on the annual snowmobile registration fees collected by Saskatchewan Government Insurance and remitted to the General Revenue Fund.

e) Use of estimates

These statements are prepared in conformity with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Tangible capital assets

	2012			2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & equipment	\$ 2,718	\$ 2,718	\$ 0	\$ 272
Computer equipment	3,491	3,491	0	0
	<u>\$ 6,209</u>	<u>\$ 6,209</u>	<u>\$ 0</u>	<u>\$ 272</u>

4. Financial instruments

The Fund's financial instruments include cash, accounts receivable, investments, accounts payable, GST receivable, and due to Saskatchewan Snowmobile Association. Information about the fair value of investments is disclosed in Note 5. The fair value of the other instruments approximates their carrying value due to their immediate or short-term nature. Credit risk from the potential non-payment of accounts receivable is minimal because the Fund's receivable is from the General Revenue Fund – Ministry of Parks, Culture and Sport.

5. Investments

The Fund holds units in the RBC Canadian T-Bill Fund, which invests in high quality, short-term debt securities such as treasury bills. The RBC Canadian T-bill Fund has no fixed interest rate and its returns are based on the success of the fund manager. The fair value of investments approximates their carrying value due to their short-term nature.

6. Budget

The budget was approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc. on June 26, 2011.

7. Administration

The Saskatchewan Snowmobile Association Inc. incurs the accommodation, salaries, and some operating costs associated with administering the Fund. These costs are allocated to the Fund based on the time staff spends to administer the Fund. The Fund

then pays Saskatchewan Snowmobile Association Inc. for these costs. The Fund also incurs certain operating costs directly. The costs allocated by the Saskatchewan Snowmobile Association Inc. and the direct costs of the Fund were as follows:

	2012		2011	
	Allocated costs	Direct costs	Total	Total
Salaries	\$ 81,635	\$ 723	\$ 82,358	\$ 79,872
Postage	400	5,904	6,304	6,831
Rent	5,403		5,403	5,113
Telephone	4,527		4,527	4,239
Computer maintenance	3,248		3,248	1,476
Marketing	3,160		3,160	4,502
Trade shows	4,908		4,908	1,504
Professional services	1,022	26	1,048	1,232
Amortization		272	272	544
Office supplies	1,562	597	2,159	4,820
Printing	23	2,075	2,098	1,200
Office insurance	1,156		1,156	467
Bank charges	618	131	749	479
Membership dues	682		682	551
Board expenses	3,053		3,053	3,198
Staff training	1,373		1,373	992
Club expenses	3,811		3,811	5,340
Meeting expenses	370		370	589
Staff travel	517		517	451
	<u>\$ 117,468</u>	<u>\$ 9,728</u>	<u>\$ 127,196</u>	<u>\$ 123,400</u>

8. Related parties

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. Accounts receivable includes \$48,090 (2011- \$42,000) from the General Revenue Fund – Ministry of Parks, Culture and Sport. Expenses include \$4,527 (2011- \$4,239) paid to related parties for certain services during the year.

In addition, the Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

UNAUDITED PAYEE LIST FOR THE FISCAL YEAR 2011-2012

SUPPLIERS RECEIVING \$20,000.00 OR MORE

Saskatchewan Snowmobile Association

Third Party Liability Insurance	28,219
Administration & Wages	127,196

**TRAIL FUND PAYOUT BASED ON SNOWMOBILE REGISTRATIONS RECEIVED
IN THE 2010-2011 SNOWMOBILE SEASON**

TRAIL FUND PAYOUT

#	Club Name	Total Paid Aug. 2011
201	Archerwill Drift Riders	18,606.29
101	Battlefords Trail Breakers	56,097.84
203	Border Explorers Snowmobile Club	13,136.83
301	Broadview Snow Busters	14,066.73
302	Calling Lake Cruisers	40,095.24
205	Candle Lake Sno Drifters	41,540.80
103	Canwood Sno-Blazers	16,230.84
104	Chitek Lake Bush Buddies Inc.	15,030.43
335	Crossroad Sno-Diggers	8,318.30
303	Cupar Snowmobile Club	23,805.23
343	Elbow Lake Sno Drifters	6,154.19
208	Esker Bear Trails Inc.	40,750.39
304	Esterhazy Super Sledders	21,776.38
333	Estevan Snowmobile Club	18,006.09
125	Goodsoil Ridge Riders	11,031.90
313	Grenfell Snowdrifters	9,827.27
210	Hudson Bay Trail Riders	90,622.18
308	Kamsack Snow Drifters	10,296.44
211	Kelvington Trailblazers	51,397.66
212	Lakeland Snowmobile Club	41,980.39
309	Last Mountain Lake Drifters	28,403.97
107	Leoville Snow Drifters Inc.	10,042.83
217	Melfort & District Trail Riders	31,379.62
218	Mistatim Snow Packers	11,031.90
311	Moose Mountain Snowmobile Club	48,219.12
219	Naicam Snowblasters Inc	34,985.07
109	Northern Lights Snowmobile Assoc.	25,335.32
220	Pasquia Snow Goers	32,626.52
221	Porcupine Trail Blasters Inc.	19,291.03
316	Prairie & Pine Sno Riders Inc.	27,778.40
317	Prairie Prowlers Inc.	4,222.55

236	Quill Lake Trail Twisters	22,308.95
318	Rhein Sno Cruzers	8,521.19
223	Rough Riders Snowmobile Club	36,519.39
112	Saskatoon Snowmobile Club	16,484.45
320	Showstoppers Snowmobile Club	26,861.19
322	Souris River Snowmobile Club	7,730.78
332	S.E. Sask Stubble Jumpers	34,507.44
329	Springside Snowmobile Club	4,311.32
114	Thickwood Trails Snowmobile Club	30,521.58
115	Timber Trails Sno Riders	23,712.24
225	Tisdale Snowmobile Club	18,766.91
324	Trakkers Snow Club	9,383.45
312	Tri-Valley Trails Inc.	33,137.96
226	Twin Lakes Trail Blazers	25,994.70
232	Whiteswan Snow Hawks	19,367.11
327	Yorkton Sno-Riders Club Inc.	59,783.59
TOTAL		1,200,000.00

CLUBS PAID IN AUGUST 2011

Note: Payout in August 2011 is from registrations received in the 2010-2011 Fiscal Year Ending March 31, 2011.